Report on the Administration of the Excise Department.

READ—

Letter No. Ped. C. 41-24, dated 19th October 1925, from the Excise Commissioner in Mysore, forwarding the Report on the Administration of the Excise Department for the year 1924-25.

ORDER NO. FL. 4210-20—EX. 45-25-4, DATED 27TH JANUARY 1926.

Personnal.—Mr. V. R. Thyagaraja Iyer, M.A., was in charge of the Department throughout the year.

2. *Administrative Changes.*—Consequent on the introduction of the Judicial Separation Scheme in the Tumkur and Hassan Districts, the District Excise Officer's posts in these two Districts were abolished. The transport of arrack having been undertaken by Government Agency, a gazetted officer was posted to be in charge of the Government Distillery and arrack transport arrangements.

3. *Manufacture of Country Spirits.*—The quantity of country spirits manufactured during the year was 3,51,464 gallons against 3,55,614 gallons in the previous year and the quantity issued (including a supply of 75,018 gallons to the Civil and Military Station, Bangalore) was 3,41,689 gallons as against 3,55,277 gallons in the year previous.

4. *Transport of Arrack.*—The total quantity of different kinds of liquor transported amounted to 2,70,048 with gallons a wastage (bung and stand wastage of 4,040 gallons) *viz.*, 1·50 per cent against 3·4 last year.

Government note with satisfaction that the system of transport by Government Agency has on the whole worked satisfactorily and has resulted in minimising wastage and complaints from shop keepers of "nil" stock.

5. *Consumption of Arrack.*—The consumption of arrack during the year has remained almost at the level of the previous year. The quantity of molasses arrack issued during the year was 2,48,115 gallons against 2,46,993 in 1923-24. While there has been a fall in consumption in three districts, Kolar, Bangalore and Mysore, there has been a slight increase in the other five districts. The noticeable increase in consumption in the Malnad Districts is explained as due to the successful detection of illicit cases in the Shimoga District and better transport arrangements in the Kadur District. The abnormal fall of 24·90 per cent in the Kolar District particularly in the Bowringpet Taluk including the Kolar Gold Fields area is attributed (among other causes) to the heavier retail prices charged by the vendors under the high duty system, thereby giving scope for illicit distillation and smuggling of arrack from the low duty area in bordering British districts. Orders have recently been issued reducing the rate of duty from Rs. 6-8-0 to Rs. 5-8-0 per proof gallon, which is practically the rate in neighbouring British territory. Government expect that with the appointment of a full time officer for charge of the Excise Intelligence Bureau, it will be possible to put down effectively mal-practices that are affecting illicit consumption. There has been a decrease of six arrack shops during the year, bringing down the total number to 634. It is gratifying to note that the consumption of arrack has fallen from 466,107 gallons in 1913-14 and 395,300 gallons in 1918-19 to 248,115 gallons in the year under review. The increase of 1,122 gallons over last year for the whole State is not a matter of concern, as there was an increase of 7,060 gallons in the Shimoga District, which is attributed to the detection of a large number of illicit distillation cases among lambanies. In other words, people who were drinking bad and strong arrack without paying duty to Government and who would have continued to do so, have perforce on account of rigorous preventive measures consumed licit Government arrack paying duty.

6. *Toddy.*—The total revenue from toddy was Rs. 36,44,466 against Rs. 39,60,648 in the previous year, thereby showing a decrease of nearly Rs. 3,16,000. There was a decline both in the shop rental realised, (to the extent of Rs. 1,89,000) and in the number of trees tapped. The number of shops for the sale of toddy was reduced by 19. Government view with concern the observation of the Excise Commissioner that the considerable fall in tree tax and in the number of tappable trees licensed is probably due to some extent to mal-practices in the groves as well as intensive tapping. The number of cases of illicit tapping reported is less than that of last year. The necessity for frequent and surprise inspection of groves by superior inspecting officers cannot be too strongly emphasised. The attention of the Deputy

Commissioners is invited to Government Order No. Fl. 3736-45—Ex. 6-25-6, dated 28th December 1925 laying down instructions for a systematic inspection of Excise offices, shops and groves. The proposal of the Excise Commissioner for the better conservation of tappable trees is awaited.

7. *Ganja.*—The area under ganja cultivation was 60 acres as in the previous year and the outturn was 586 maunds against 343 maunds in 1923-24 and the average outturn per acre was 9·7 maunds against 5·7 maunds in the previous year. A large number of offences of illicit cultivation of ganja have been detected during the year. As the result of the measures recently sanctioned, Government hope that ganja offences including smuggling of the drug into British Districts will be effectively prevented. The consumption was 13,971 seers against 13,235 seers in the previous year, yielding a revenue of Rs. 4,94,472 as compared with Rs. 4,77,134 in 1923-24. There is a considerable amount of surplus stock of ganja as the result of excessive production. The Excise Commissioner should suggest ways of selling the stock to British Provinces.

8. *Opium.*—The consumption of opium was 1,609 seers against 1,427 in the previous year. The marked increase in the Kolar District requires careful investigation. Government note that though there was an increase of 182 seers consumed during the year the total consumption is not above the average level of the previous years as shown in the margin:

Year.	Consumption.
1916-17	1,718 seers.
1917-18	1,514 do
1918-19	2,052 do
1919-20	1,747 do
1920-21	1,559 do
1921-22	1,865 do
1922-23	1,947 do
1923-24	1,427 do
1924-25	1,609 do

To restrict consumption the rate of duty has been enhanced from Rs. 70 to Rs. 75 per seer and the retail sales prices from Rs. 1-6-0 to Rs. 2 per tola with effect from 1st July 1925.

9. *Financial Results.*—The total demand for the year including arrears was Rs. 74,05,572 against Rs. 78,35,398 in the previous year. The collections during the year amounted to Rs. 69,52,761 against Rs. 73,54,843 in 1923-24. Of this decrease of Rs. 4,02,082 so much as Rs. 3,28,444 represented the decline in shop rental. There was a fall of Rs. 1,16,493 in the revenue from the tree tax. The collection of old arrears is not satisfactory. The arrears at the close of the year (Rs. 4,49,606) were heavy particularly in Tumkur, Bangalore and Mysore Districts. Energetic action should be taken to collect all recoverable outstandings.

10. *Offences.*—The total number of offences reported during the year was 2,842 against 2,896 in the previous year. The number of illicit distillation cases was 204 against 162 in the previous year. Of these 164 cases took place in Shimoga District alone. The Excise Commissioner is requested to take vigorous steps to put down illicit distillation by insisting on effective inspection by the District Officers and the staff of the Excise Intelligence Bureau. The question of opening special shops and selling coloured arrack in illicit distillation areas should also be carefully examined.

11. *Inspection.*—The inspection by the Excise Commissioner has been fairly satisfactory. It is noted with regret that the Deputy Commissioners of Hassan and Kolar did not inspect any Excise Office. The explanation of these officers should be obtained and submitted. Even in the case of Sub-Division Officers the inspection leaves much to be desired.

The Deputy Commissioners should inspect annually the Excise work of the Sub-Divisional Officers and not less than 50 per cent of the Taluk and Range Offices, bonded depots and special shops. They should also make it a point to inspect as many date groves as possible during their tours. Government trust that greater attention will be paid to inspection work in future.

12. *Excise Licensing Boards.*—With a view to enable the local bodies to have an effective voice in the matter of location of Excise shops and to take greater interest in Excise matters, the constitution of Licensing Boards with popular representation was sanctioned for all the Town Municipalities in Government Order No. Fl. 6067-89—Ex. 92-23-7, dated 9th May 1925. The results of this measure of reform will be watched with interest.

The administration of the Department was on the whole satisfactory.

B. SRINIVASA IYENGAR,
Secretary to Government,
Revenue Department.